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SUBJECT: 8th U.S.-China High Level Joint Biotechnology Working Group
(BWG) Meeting in Beijing

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accordingly.

¶1. (SBU) On September 16, government officials and technical experts convened the 8th meeting of the U.S.-China High Level Joint Biotechnology Working Group (BWG) in Beijing. Discussion focused on: 1) affirming U.S. and Chinese joint interests in agricultural biotechnology; 2) recognizing the potential this technology to address current and future global agricultural and climate challenges; and 3) encouraging joint collaboration and global leadership in the development and use of products produced using agricultural biotechnology. Discussions were frank, informative and constructive, and ended on a promising note for future exchange and technical collaboration. END SUMMARY.

Opening Session

¶2. (SBU) The United States and China convened the 8th meeting of the U.S.-China High Level Joint Biotechnology Working Group (BWG) in Beijing, September 16, 2009. China's Ministry of Agriculture hosted the meeting. Jim Miller, Under Secretary for Farm and Foreign Agricultural Services (FFAS), led the U.S. delegation, presenting opening remarks and chairing the morning session. Michael Schechtman, Biotechnology Coordinator for the Office of the Secretary, USDA/Agricultural Research Services, chaired the afternoon session. The U.S. delegation was comprised of representatives from USDA's Foreign Agricultural Service (FAS) and the USDA's Animal and Plant Health Inspection Service (APHIS); the Office of the Secretary, USDA; the U.S. Food and Drug Administration (FDA); and the Environmental Protection Agency (EPA). Niu Dun, Vice Minister, Minister of Agriculture (MOA), led the Chinese delegation at the morning session. The Chinese delegation included representatives from the Ministry of Agriculture, the Chinese Academy of Agricultural Sciences (CAAS), China Agricultural University, Ministry of Commerce (MOFCOM), Department for Supervision on Plant Quarantine (AQSIQ), and the Ministry of Health's (MOH) Center for Disease Control (CDC).

¶3. (SBU) Vice Minister Niu opened the BWG by emphasizing the important role the BWG played in maintaining trade and enhancing

mutual understanding and trust between China and the United States. He spoke of the overall trade picture between the U.S. and China, and the significant challenges we face. He acknowledged the importance of ongoing U.S.-China cooperation on agricultural biotechnology and the role of agriculture in China to address food and energy security, social welfare issues, and climate change. Niu proposed the United States and China strengthen cooperation and exchange through an expansion of research and development collaboration on agricultural biotechnology.

¶4. (SBU) Niu also noted complaints received from Chinese soybean farmers about the large volumes of biotech soybean imports from the United States (USD 7.0 billion in 2008). He commented that U.S. companies, including Monsanto, were earning "fat profits" from this trade and were only interested in expanding their market share. He implied that the technology providers were unwilling to work collaboratively with Chinese research institutions to develop China's biotechnology industry and said if this were the case, the situation was unacceptable. Niu stated that reciprocal and mutual cooperation in biotech will advance research and development to the benefit of both the United States and China.

¶5. (SBU) U/S Miller noted that both countries have similar goals and interests and encouraged China and the United States to work together bilaterally and as global partners to address the global challenges of food security, sustainability and climate change. He spoke of the role of biotechnology as one important tool to help address these issues, of our joint role as world leaders in the use of the technology, and of the increasing convergence of U.S. and Chinese interests around the development, regulation, and use of the technology, especially in view of China's recently announced policy for "Accelerating the Development of Bioindustry". Recognizing

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Niu's call for greater cooperation, the Under Secretary agreed in principle to increased U.S.-China engagement and collaboration.

¶6. (SBU) The Chinese closed the morning session by emphasizing the significant role biotechnology has played in addressing plant pests and diseases in China and in improving the quality of crops, something conventional agriculture has been unable to address adequately. China places great emphasis on the development of new biotech products that could improve Chinese agricultural productivity. That said, MOA noted that it would take a "step-wise and steady approach" to approving new biotech products. MOA suggested incorporating more collaboration at all levels of the BWG agenda would expand fruitful bilateral cooperation.

¶7. (SBU) Despite a few surprising remarks from Niu, the morning session was informative and relatively friendly. (In addition to the "fat profit" comment, he suggested that Monsanto should permit China to use its Round-Up Ready I technology "free-of-charge" in the waning years of the patent and claimed that the USG could control Monsanto policy). It was made clear that China seeks closer collaboration in the field of biotechnology. How and to what extent remains to be learned. Niu noted that his and U/S Miller's participation enhanced the dialogue and put pressure on the group to find solutions and not simply discuss concerns.

China and U.S. Collaboration on Biotechnology

¶8. (SBU) The afternoon session proceeded at the working level with further discussion of future U.S.-China cooperation. The Chinese suggested increased collaboration in fundamental and field research and that future collaboration would involve increased activity not only between government scientists but also between academics and the private sector as well. Several issues that would need to be addressed, e.g., intellectual property concerns and the ability to involve independent players from academia and the private sector, were noted.

¶9. (SBU) In reply to a U.S. request, Chinese officials promised to provide a written proposal of their suggestions for further collaboration and cooperation. The U.S. agreed to work with the Chinese to find an appropriate model for collaboration. Both sides

recognized that working out the details of increased collaboration would be challenging. Points of contact, one at the U.S. Embassy/Beijing and one at the Ministry of Agriculture, were identified to ensure and facilitate communication.

Recent Approvals and Products in the Queue

¶10. (SBU) The United States and China exchanged information on the status of research on biotech products and product approvals in general in each country, and discussed the importance for continuing efforts to ensure regulations keep up with the increasing number and complexity of products. However, China was unprepared to respond to specific U.S. inquiries about products under development. Chinese officials noted that many domestic agencies are involved in the development of biotech products; good progress is being made on the development of biotech corn, soy, and rice, with some products in the field trial stage while others are undergoing safety assessments. China hopes to accelerate the development and commercialization of biotech products but many obstacles exist.

¶11. (SBU) China was unable to provide any information on the status of U.S. products up for renewal, many of which expire in December 2009. China stated that if there are no announcements to the contrary, renewals will be carried out in the same manner as in the past. MOA noted that additional information may also be found on their web site. In response to further prodding about the status of pending products, China agreed to provide information after the meeting but also said applicants would be provided with official responses, including requests for additional information, throughout the review process.

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Handling of Stacked Events

¶12. (SBU) The United States noted the increased use of products containing multiple biotech traits (aka stacks) and discussed the regulatory challenges they pose. MOA noted particular interest in learning more about products with new traits for drought tolerance, nutritional modifications, and insect resistance, among others. MOA stated that it is studying how to best determine the safety of stacks. To this end, MOA is looking at approaches taken by the United States and others, as well as consulting with other ministries in China and with consumers. MOA noted that because consumers lack understanding about the technology and are worried about Bt crops, China would be required to conduct considerable risk analysis on stacks to assure the public. China also indicated products would be reviewed on a case-by-case basis, and noted in addition that products containing a large number of stacked events could pose consumer concerns.

Navigating the Global Regulatory Process and Building on Experiences to Streamline the Regulatory Processes

¶13. (SBU) U.S. and Chinese officials discussed the evolving status of each country's biotech industry: China perhaps moving toward becoming an exporter of biotech agricultural products and the U.S. moving toward becoming an importer; of the new obligations this evolution would place on both countries to avoid trade disruptions; and the lessons we can learn from each other. The Chinese were non-committal about China's export future.

¶14. (SBU) The United States noted the importance of seeking authorizations in important foreign markets for biotech products in development, even if exports are not intended, so as to avoid possible trade issues. U.S. officials offered to facilitate authorization requests for Chinese products into the U.S. regulatory system. They also offered to provide, informally and regulator-to-regulator, additional technical information on products under review in the United States to facilitate reviews by Chinese authorities, once those products officially begin review in China.

¶15. (SBU) MOA acknowledged the importance but complexity of streamlining the regulatory review process. For example, it would

require making adjustments and changes to existing regulations, which would involve considerable coordination within the government. MOA is studying this idea, and agreed to take the conclusions of this discussion into account.

Cooperation in International Fora

¶16. (SBU) The United States stressed that the increasing convergence of our interests would make it possible and desirable for increased cooperation and collaboration in international forums where biotechnology policies and regulations are being developed, such as the upcoming APEC High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB) Steering Group meeting and in discussions related to the Biosafety Protocol (BSP).

¶17. (SBU) MOA officials were unfamiliar with the HLPDAB Steering Group but agreed to convey our points to the relevant officials. Regarding the BSP, MOA briefed the meeting on the status of the liability and redress and 18.2a discussions, including the divergent objectives of varying Parties, while APHIS briefed on activities related to the Road Map Sub-Group of the for Ad Hoc Technical Experts Group under the BSP. MOA said it would analyze the impact of the Road Map and agreed to communicate our points to the Ministry of Environment. MOA officials acknowledged the benefit of the U.S. and China keeping each other informed on the various activities of the BSP. MOA officials also noted that they are closely following international dialogue and work within international organizations, specifically mentioning labeling discussions within Codex Alimentarius.

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¶18. (SBU) The United States closed the discussion by recognizing the importance of previous and ongoing collaborative biotech-related exchanges between China and the United States exemplified by the U.S. Trade and Development Authority (TDA) funded activities, first initiated in 2006. U.S. officials noted that Phase III activities started earlier in the week in Beijing and are scheduled to continue over the next few years and reviewed upcoming activities. Officials also noted the science policy fellowships being managed by the U.S. Department of Agriculture. (Two recently selected Borlaug Scholars participated in the BWG discussions.) MOA noted with appreciation the importance these activities have played in training the technical and regulatory staff. MOA made several suggestions to upcoming TDA activities that U.S. officials said they would consider.

Conclusion of BWG

¶19. (SBU) At the conclusion of the meeting, both sides reaffirmed their support for the BWG and looked forward to the next meeting in the United States, dates to be determined later. Both sides affirmed their support for increased collaboration on agricultural biotechnology and MOA promised to provide a written proposal on future collaboration. The United States noted its hope that China would increase its engagement on agricultural biotechnology in international fora.

Related Meetings

¶20. (SBU) Members of the U.S. delegation participated in the Trade Development Agency Workshop on Combined Events that was held September 12-15. The workshop was organized by Dasun Consulting with participating government and industry officials and experts from Beijing, other cities in China, the United States, and Canada. Based on initial feedback, the workshop was well received, providing the technical detail and an exchange of information that MOA officials requested.

¶21. (SBU) On September 15, officials and technical experts from the United States and China convened the Sixth Meeting of the U.S.-China Biotechnology Technical Working Group on Food and Environmental Safety (TWG). Discussion focused on scientific and regulatory

issues relevant to genetically engineered plants and the foods derived from them. Included in this discussion was an explanation of both the U.S. and Chinese approaches to the low level occurrence in commerce of unauthorized genetically engineered plants and material derived from such plants. The discussions were very informative and open, with the Chinese delegation presenting detailed information about their development of Bt rice. The formal TWG meeting was preceded by a field trip to Shanghai to discuss the development of transgenic goats, environmental safety assessment of biotech products, and database and detection methods for biotech products.

Participants

122. (SBU) Participants and contacts for the BWG included: U.S. Delegation: Jim Miller, Under Secretary for Farm and Foreign Agricultural Services, USDA; William Westman, Agricultural Counselor, Foreign Agricultural Service in Beijing, USDA; Michael Schechtman, Biotechnology Coordinator for the Office of the Secretary, Agricultural Research Service, USDA; Beverly Simmons, Associate Deputy Administrator for Emerging and International Programs, Biotechnology Regulatory Services, Animal and Plant Health Inspection Services, USDA; Ed Porter, Deputy Director, New Technologies and Production Methods Division, Foreign Agricultural Service, USDA; Dave Heron, Assistant Director, Policy Coordination Programs, Biotechnology Regulatory Services, Animal and Plant Health Inspection Services, USDA; Elizabeth Jones, International Trade Specialist, New Technologies and Production Methods Division,

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Foreign Agricultural Service, USDA; Wade Sheppard, Senior Advisor for North Asia, Office of Country and Regional Affairs, Foreign Agricultural Service, USDA; Joan Hurst, China Desk Officer, Office of Country and Regional Affairs, Foreign Agricultural Service, USDA; Mark Petry, Agricultural Attache, Foreign Agricultural Service in Beijing, USDA; Jason Dietz, Science Policy Analyst, Office of Regulations, Policy and Social Services, Center for Food Safety and Applied Nutrition, U.S. Food and Drug Administration; Chris Wozniak, Biotechnology Special Assistant, Office of Pesticide Programs, Biopesticides and Pollution Prevention Division, Environmental Protection Agency; Frederick Thomas, Agricultural Science Officer, Animal and Plant Health Inspection Service in Beijing, USDA; Irene Chan, Assistant Country Director, U.S. Food and Drug Administration in Beijing; and Karen Green, Biotechnologist, Environmental Risk Analysis Program, Biotechnology Regulatory Services, Animal and Plant Health Inspection Services, USDA. Chinese Delegation: Niu Dun, Vice Minister, Minister of Agriculture (MOA); Jinming Bai, Director General, Department of Science and Technology and Education; Shi Yanquan, Deputy Director General, Department of Science and Technology and Education, MOA; Xie Jianmin, Deputy Director General, Department of International Cooperation, MOA; Duan Wade, Director General, Center for Science and Technology Department, MOA; Wu Kongming, Director and Professor, Institute of Plant Protection, Chinese Academy of Agricultural Sciences (CASS); Jia Shirong, Professor, Biotechnology Research Institute, CASS; Li Xinhai, Professor, Crop Research Institute, CASS; Huang Kunlun, Professor, China Agricultural University; Wang Delu, Department of WTO Affairs, Ministry of Commerce; Xu Qiang, Department of Supervision on Plant Quarantine, AQSIQ; Wei Zhenglin, Director, Department of International Cooperation; Xu Yubo, Project Officer, Department of International Cooperation, MOA; Zou Ping, Director, Department of Science, Technology and Education, MOA; Shao Jiancheng, Deputy Director, Department of Science, Technology and Education, MOA; Li Ning, Director, Center for Science, Technology Development, MOA; Sun Junli, Project Officer, Department of Science, Technology and Education, MOA, and Zhang Wei, Interpreter, Center of International Cooperation Service, MOA.

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